GOVERNMENT OF INDIA
TOURISM
LOK SABHA

STARRED QUESTION NO:363
ANSWERED ON:17.04.2008
TAX HOLOIDAY FOR HOTELS
Sarvey Shri Sathyanarayana

Will the Minister of TOURISM be pleased to state:

(a) whether the Government is giving five year income tax holiday to some star hotels as well as convention centers in the country;

(b) if so, the details thereof; and

(c) the present status of construction of hotels to accommodate the visitors for Commonwealth Games?

Answer

THE MINISTER OF TOURISM AND CULTURE (SMT. AMBIKA SONI)

(a), (b) and (c): A statement is laid on the table of the Sabha.

STATEMENT IN REPLY OF PART (a), (b) AND (c) OF LOK SABHA STARRED QUESTION NO.363 TO BE ANSWERED ON 17.04.2008 REGARDING TAX HOLIDAY FOR HOTELS.

(a) and (b): Yes, Sir. At the request of Ministry of Tourism, the Finance Minister had in the budget 2007-08, announced a Tax Holiday for 5 years under Section 80-ID (1) of the Income Tax Act 1961 for undertakings engaged in the business of building hotels in the two, three and four star categories constructed and have started or start functioning at any time during the period beginning on the 1st day of April 2007 and ending on the 31st day of March 2010, and for the undertakings engaged in building, owning and operating Convention Centres constructed at any time during the period on the first day of April, 2007 and ending on 31st day of March, 2010. This incentive is available in the National Capital Territory of Delhi and the districts of Faridabad, Gurgaon, Gautam Budh Nagar and Ghaziabad.

The Finance Minister in his Budget speech 2008-09, proposed to grant a five year Tax Holiday for two, three or four star hotels that are established in specified districts which have UNESCO-declared `World Heritage Sites`. The hotel should be constructed and start functioning during the period April 1, 2008 to March 31, 2013.

(c): The progress of construction of hotels for the Commonwealth Games is monitored regularly in the Task Force meetings of the Ministry of Tourism with the concerned Land Owning Agencies and at other forums.